

Message Text

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C O N F I D E N T I A L USUN 5419

LIMDIS

C O R R E C T E D C O P Y (ADD SUBJ LINE)

FOR THE SECRETARY FROM BENNETT

E.O. 11652: N/A

TAGS: UNDP ECOSOC

SUBJ: PROBLEMS WITH UNDP APPROPRIATION

1. I WANT TO BRING TO YOUR ATTENTION WHAT JOHN SCALI, WITH WHOM I HAVE TALKED BY TELEPHONE, AND I REGARD AS POTENTIALLY MOST SERIOUS SETBACK TO US POSITION HERE AT UN AND ELSEWHERE. PROBLEM HAS BILATERAL AS WELL AS MULTILATERAL IMPLICATIONS. IT REVOLVES AROUND US CONTRIBUTION TO UN DEVELOPMENT PROGRAM WHICH FOR PAST FOUR YEARS HAS BEEN \$86 MILLION ANNUALLY. FOR CALENDAR YEARS 1973 AND 1974, DEPARTMENT HAD REQUESTED \$90 MILLION FROM CONGRESS, IN REAL TERMS AN ACUTAL DECREASE IN VIEW OF COMBINED EFFECTS DEFLATION AND DOLLAR DEVALUATION.

2. ON DECEMBER 5, HOUSE APPROPRIATIONS COMMITTEE (PASSMAN SUBCOMMITTEE) ISSUED REPORT WHICH IN EFFECT DIRECTS THAT US CONTRIBUTION TO UNDP BE NO MORE THAN \$70 MILLION FOR CY'S 1973 AND 1974. UNLESS WE ARE SUCCESSFUL IN PREVENTING ADOPTION THIS SHARP REDUCTION OF OUR UNDP CONTRIBUTION, SCALI AND I FORESEE VERY SERIOUS DAMAGE TO US INTERESTS, PARTICULARLY IN MULTILATERAL ARENA. IMMEDIATE DAMAGE IS LIKELY TO BE FELT IN CONNECTION

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IMMINENT ECOSOC AND UNGA CONSIDERATION OF OUR WORLD FOOD

CONFERENCE PROPOSAL.

2. ONLY LAST MONTH UNGA COMPLETED ACTION ON MAJOR EFFORT BY US (LED BY SENATOR MCGEE AND THEN PERM REP GEORGE BUSH) AND APPROVED REDUCTION IN US REGULAR ASSESSMENT TO UN OF 31.52 TO 25 PERCENT. MANY MEMBER STATES, SOME MOST RELUCTANTLY, SUPPORTED REDUCTION OF OUR ASSESSMENT IN CONFIDENCE THAT USG WOULD MAINTAIN AND HOPEFULLY BE MORE FORTHCOMING IN FUTURE RE VOLUNTARY SIDE OF UN CONTRIBUTIONS, IN PARTICULAR UNDP. IF WE PROCEED NOW THROUGH CONGRESSIONAL ACTION ON WHAT WOULD APPEAR DELIBERATE ABROGATION OF THAT CONFIDENCE, WE WILL SERIOUSLY AFFECT OUR CREDIBILITY WITH OTHER DELEGATIONS, ESPECIALLY LDC'S.

3. DURING FOUR-YEAR PERIOD WHILE US CONTRIBUTIONS TO UNDP HAVE REMAINED STATIC AT ABOUT \$86 MILLION, US HAS BEEN IN VANGUARD OF THOSE SEEKING TO REFORM UNDP IN ORDER TO IMPROVE BOTH QUALITY AND QUANTITY OF ITS PROGRAM DELIVERY. SPECIFICALLY, IT WAS LARGELY THROUGH US EFFORTS THAT "UNDP CAPACITY STUDY," HEADED BY SIR ROBERT JACKSON, WAS UNDERTAKEN. CLEAR IMPLICATION THROUGHOUT THESE EFFORTS FOR IMPROVEMENT HAS BEEN THAT US WOULD MAKE EVERY EFFORT TO BE RESPONSIVE IN BOTH SHORT AND LONG TERM TO UN DEVELOPMENT ASSISTANCE ACTIVITIES. OTHER UNDP CONTRIBUTORS, MANY OF WHOM HAVE INCREASED THEIR CONTRIBUTIONS IN RECENT YEARS DUE OUR PRODDING, HAVE RESPONDED TO NEEDS OF PROGRAM IN EXPECTATION OF OUR EXPRESSED INTENTION TO SEEK INCREASED FUNDS FROM US CONGRESS. IT WILL BE SEEN AS US IRRESPONSIBILITY IF WE PULL BACK NOW FROM UNDP. IF WE DO SO, WE WILL BE CHARGED BY BOTH DEVELOPED AND DEVELOPING COUNTRIES WITH STYMIEING GROWTH OF UNDP AND WITH FRUSTRATING DEVELOPMENT EFFORT OF LDC'S THROUGH UN SYSTEM.

4. WE AT USUN HAVE CONSISTENTLY RATED \$90 MILLION APPROPRIATION FOR UNDP AS SINGLE MOST IMPORTANT ITEM OF OUR CALENDAR YEAR 1973 PROGRAM IN TERMS OF ITS INTRINSIC IMPORTANCE TO UN SYSTEM AND TO US RELATIONSHIPS AND LEADERSHIP POSITION WITHIN UN. EARLIER THIS YEAR SECRETARY ROGERS, AID ADMINISTRATOR JOHN HANNAH AND AMBASSADOR SCALI AGREED ON \$90 MILLION FIGURE. HANNAH UNDERTOOK CONFIDENTIAL

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TO GET REPRESENTATIVE PASSMAN'S APPROVAL TO THIS FIGURE AND WE AT USUN WERE TOLD THAT WE COULD COUNT ON IT. SCALI ANNOUNCED FIGURE AT ECOSOC SUMMER SESSION AND BENNETT MADE SIMILAR ANNOUNCEMENT AT UNDP GOVERNING COUNCIL. BOTH MADE CLEAR THAT PLEDGE WAS SUBJECT, OF COURSE, TO CONGRESSIONAL APPROVAL. US WORD IS ONE THE LINE.

5. REPRESENTATIVE JOHN BUCHANAN, MEMBER OUR CURRENT UNGA

DELEGATION, IS IN WASHINGTON TODAY ON CONGRESSIONAL BUSINESS. WE TALKED BY TELEPHONE THIS MORNING AND HE GAVE ME RUN-DOWN ON THE SITUATION. BUCHANAN VIEWS MATTER AS IN A SENSE A TACTICAL MANEUVER BY PASSMAN VIS-A-VIS SENATE CONSIDERATION OF ITEM. THERE IS NEED TO NAIL DOWN SENATE APPROVAL OF FULL \$90 MILLION FIGURE AND INDICATIONS THERE ARE POSITIVE AS OF NOW. REPS. BUCHANAN AND DERWINSKI BELIEVE IT NECESSARY TO MAKE FIGHT IN HOUSE, PROBABLY BY TAKING MATTER TO A VOTE IN ORDER ESTABLISH BACKGROUND FOR PASSMAN IN LATER MEETING OF CONFEREES OF BOTH HOUSES. BUCHANAN AND DERWINSKI WERE CIRCULATING A JOINT LETTER TO ALL REPUBLICAN MEMBERS OF HOUSE TODAY AND MAILLIARD AND FRELINGHUYSEN WERE ALSO WORKING ON THE MATTER. DON FRASER IS ACTIVE ON DEMOCRATIC SIDE. BUCHANAN ANTICIPATES A VOTE IN THE HOUSE AFTERNOON DECEMBER 7.

6. UNDP ADMINISTRATOR RUDY PETERSON HAS SUGGESTED THAT YOU PERSONALLY CONTACT SENATOR INOUE, WHO HE BELIEVES, IF ASKED TO DO SO, WILL JOIN FORCES WITH GALE MCGEE AND OTHERS IN THE SENATE TO SEEK FAVORABLE ACTION THAT BODY. I AM CALLING GEORGE BUSH BECAUSE OF HIS PERSONAL INTEREST AND COMMITMENT ON THIS ISSUE.

7. I REGRET IMPOSING ON YOUR SCHEDULE, BUT BOTH JOHN SCALI AND I BELIEVE THIS MATTER TO BE OF SUCH IMPORTANCE HERE AND ELSEWHERE THAT WE URGE YOU TO GIVE IT YOUR IMMEDIATE ATTENTION, WITH VIEW TO ENSURING CONGRESSIONAL APPROVAL OF \$90 MILLION FIGURE FOR UNDP.
BENNETT

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